

The American Observer

A free, virtuous and enlightened people must know well the great principles and causes on which their happiness depends. — James Monroe

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OCTOBER 18, 1937

Government's Power Program Is Examined

Roosevelt's Inspection of Projects in West Reminds Nation of Gigantic Experiment

ADDITIONAL PLANS MADE

Creation of Regional Planning Boards Like the TVA Held Next Aim of Administration

No issue in American politics has more persistently raised its head during the last two decades than the power issue. At times it passes from the forefront of public discussion, only to be revived later. Of late it has given place to such immediately important issues as those raised over neutrality, the Supreme Court, agricultural relief, wages and hours, and housing, but it still lurks in the background. President Roosevelt's recent trip to the Northwest has reminded the nation of its importance, for one of the admitted purposes of his trip was to inspect a number of the government's electric projects in that region. Moreover, it is rumored that if a special session of Congress is called in November, one of the items to be considered will be the creation of seven regional developments, somewhat similar to the Tennessee Valley Authority, although less extensive in scope.

Government's Program

It is not the purpose of this article to discuss the various aspects of the power issue; to go into the matter whether the federal government should or should not generate and sell electricity, or whether the power business should remain in the hands of private individuals. That question itself would require an entire article. We shall undertake rather to describe the government's present program, to tell what is being undertaken in the way of bringing electricity to the homes and factories of the nation.

During the last few years a revolutionary program has been undertaken by the federal government. Eventually, it will affect practically every home in the nation. Powerful currents in great dams are being harnessed to dynamos which will produce electricity in vast quantities. At the same time, men in safety belts are scaling steel towers to string up high-tension cables which will carry this power to farm and city. Not only will homes now deprived of electricity be equipped to enjoy its benefits, but increasing quantities of electricity may be expected to be used where it is now used sparingly.

Today only a small percentage of the farms of the nation have access to electric power. Many rural towns still depend upon kerosene lamps, and most city dwellers use electricity only for lighting purposes because of its price. At the same time, the rivers in the United States have more than enough power to generate electricity for the entire nation. The power is there in the rushing waters that pour down the channels to the sea, although not all agree that it can be developed economically.

What, exactly, is the federal government doing to further the development and use of electricity throughout the nation? Before the Roosevelt administration, the government was engaged in the construction of dams and the generation of electricity. The Boulder Dam, one of the most gigantic engineering feats ever undertaken by man, was begun under the Hoover administration.

(Concluded on page 8)



BUREAU OF RECLAMATION

DEEP GASHES ARE CUT INTO THE EARTH TO BUILD GREAT DAMS

Water Under the Bridge

Worry is a universal, ever-present enemy of human happiness. Anxiety stands in the way too often when we might otherwise be enjoying ourselves. If things are going well enough at the moment, we are concerned about what may happen after a while. Most of our worries turn out to be groundless. The things we see looming over the horizon, the unpleasant things, usually disappear before the time for their arrival. But we worry and fret nevertheless. We are too often in an anxious state of mind not only about things to come, but about occurrences in the past. Things have not gone as they should, and so we are in a troubled state of mind.

If anyone could invent a cure for worry, he would be a great benefactor to the human race. It is not the thought of the writer of these paragraphs that he has any such remedy. It should be possible, however, to offer certain suggestions to persons afflicted with anxieties about past or future. Here is one suggestion: When anything comes up to cause you worry, ask yourself this question: "Can I do anything about it? If an unfortunate thing has happened, can I do anything to make it right? If something of evil nature threatens me, can I do anything to oppose it?" Your answer may be affirmative. There may be something to do about the thing that has happened or may happen. In that case, get busy. Don't sit around worrying, but take action. Whether you succeed or not, you will feel better if you are active; if you are doing all that you can. The worst moments of worry are those which come when we aren't at work; when we idly contemplate possibilities, and picture dire things in our minds.

But what if your answer to the question is a negative? What if you decide that there is nothing for you to do about the thing that worries you? It has already happened, perhaps, and no action can be taken. In that case force yourself to expel the matter from your mind. That which has happened and cannot be recalled is water under the bridge. There is no way to bring it back. Your problem, then, is to adjust yourself to the new situation. It isn't the situation of your choice, but you must accept it, and the strongest men and women are those who can adjust quickly to conditions whether they are pleased or not with the conditions. To fret and worry, if it is done unduly, may be an indication of weakness. If you can't change things, accept them and do your best. Don't permit yourself to think of what might have been if the unfortunate conditions had not developed. They did develop and are a part of your environment. The question now is: "Where shall we go from here, taking conditions as they are?" The courageous application of such a plan of action may save one needless hours of mental anguish.

Check on Aggressor Nations Advocated

President's Proposal Would Mark Important Departure in U. S. Foreign Policy

SEE ACTION AGAINST JAPAN

Conference to Be Called to Consider Possible Action for Violation of Nine Power Treaty

It has been a score of years since an American President addressed the nation as solemnly and forcefully on its foreign affairs as did President Roosevelt in Chicago on October 5. One has to go back to the days of Woodrow Wilson to read words which may be compared with those of Mr. Roosevelt, for no President in between has ventured to use phrases so grave in portent, so far-reaching in implication.

President Roosevelt's address was as unexpected as it was dramatic. He was on his way back East from his tour of the northwestern states and had stopped in Chicago, partly for the purpose of dedicating a new bridge only just completed in that city. The ceremonies were intended to be gay and festive, and the crowd was in a holiday mood. But the mood swiftly changed as President Roosevelt, instead of making the usual dedicatory type of speech, turned his eyes abroad and began in measured tones to indict the nations which by their aggressions are menacing the peace of the world. Then he made the startling declaration that the United States must hereafter play its part in a concerted effort to preserve international peace and morality, in other words, that it should do no less than abandon its policy of isolation.

It is no exaggeration, therefore, to say that the address was one of the most important made in the United States during the last decade or more. This becomes the more apparent when President Roosevelt's words are examined at closer range.

The Chicago Speech

Mr. Roosevelt declared that the United States could not keep entirely free of the disputes and wars between other nations. The modern world, he said, is too closely knit together by trade and transportation and communication to permit any nation to live completely unto itself. When troubles and conflicts break out in one part of the world, all other countries are certain to be affected. The United States cannot ignore such conflicts, especially when they seem to be increasing rather than decreasing.

The President, without mentioning names, denounced those nations which attack others ruthlessly and unjustly. "Without a declaration of war and without warning or justification of any kind, civilians, including women and children, are being ruthlessly murdered with bombs from the air. In times of so-called peace, ships are being attacked and sunk by submarines without cause or notice. Nations are fomenting and taking sides in civil warfare in nations that have never done them any harm. Nations claiming freedom for themselves deny it to others. Innocent peoples and nations are being cruelly sacrificed to a greed for power and supremacy which is devoid of all sense of justice and humane consideration."

President Roosevelt proceeded to quote James Hilton, who wrote in "Lost Horizon": "Perhaps we foresee a time when men, exultant in the technique of homicide, will rage so hotly over the world that every

precious thing will be in danger, every book and picture and harmony, every treasure garnered through two millenniums, the small, the delicate, the defenseless—all will be lost or wrecked or utterly destroyed."

"If those days come to pass," warned the President, "let no one imagine that America will escape, that it may expect mercy, that this Western Hemisphere will not be attacked, and that it will continue tranquilly and peacefully to carry on the ethics and the arts of civilization."

"If those days are not to come to pass—if we are to have a world in which we are to breathe freely and live in amity without fear—the peace-loving nations must make a concerted effort to uphold laws and principles on which alone peace can rest secure."

"The peace-loving nations must make a concerted effort in opposition to those violations of treaties and those ignorings of human instincts which today are creating a state of international anarchy and instability from which there is no escape through mere isolation or neutrality."



ACME

MAKING HISTORY
President Roosevelt, as he delivered his speech on foreign affairs in Chicago.

Thus did the President make his case for the need of America's active participation in a collective effort to preserve peace. And thus did he condemn as insufficient the kindred policies of isolation and neutrality upon which American foreign relations are presumed to rest. And he went further by offering a vague suggestion of the type of international action which he would favor.

Quarantine

Comparing the world situation with that which exists in a community when an epidemic of disease breaks out, Mr. Roosevelt said: "When an epidemic of physical disease starts to spread, the community approves and joins in a quarantine of the patients in order to protect the health of the community against the spread of the disease." He qualified this by saying: "It is my determination to pursue a policy of peace and to adopt every practicable measure to avoid involvement in war," and at the conclusion of his address he summed up his whole philosophy by saying: "America hates war. America hopes for peace. Therefore America actively engages in the search for peace."

These are forceful words for a President

to use, especially when it is commonly accepted as fact that the overwhelming majority of the people in this nation have a deep and abiding opposition to any policy of "entanglement in foreign affairs." Those who believe with the President call them brave and realistic words. Those who disagree sympathize with his sentiments, but see danger in an attempt to apply them.

Historical Background

As a matter of simple truth, the government of the United States, irrespective of the administration in power, has been far less isolationist in its conduct than the majority of people have been in their feelings. Presidents have paid lip service to isolation, but one administration after another has joined in international action of one kind or another to preserve peace.

The election of Warren G. Harding has been characterized as the high point in American isolationist sentiment. It killed Woodrow Wilson's dream of the United States as a member of the League of Nations, and it appeared definitely to close the door to all cooperation with foreign nations. Yet, President Harding had been only a few months in office before the United States took the leadership in summoning a conference of nations to inaugurate action on disarmament and to stabilize conditions in the Far East. The celebrated Nine Power Pact (see page 6) was one of the outcomes of that conference. In that treaty the United States and eight other nations pledged themselves against any infringement on the political and territorial integrity of China.

Then it was during President Coolidge's administration that the Kellogg-Briand Pact for the outlawry of war was negotiated and signed. Here again, the United States joined with other nations in promising not to use war as an instrument of national policy. It may be said that both of these actions, under Presidents Harding and Coolidge, committed the United States to no positive measures to maintain peace. No obligations were assumed. But it may also be said that a nation which was truly isolationist would not have gone that far.

Under President Hoover the United States took longer steps into the world arena. Japan attacked China in 1931, and Secretary of State Stimson thereupon resorted to one maneuver after another in an effort to persuade the Japanese to desist. The United States cooperated with the League of Nations and its representative sat at League meetings. The United States also inaugurated the policy of non-recognition, afterward generally adopted, which declared that the government would not admit the legality of territory acquired by force.

The Roosevelt administration continued in the course which had been set by previous administrations. In 1933 President Roosevelt, in an effort to promote disarmament, offered as an inducement to Europe a promise that the United States would be willing to "consult the other states in case of a threat to peace with a view to averting conflict." It was further declared that the United States was ready to refrain from any action tending to defeat collective measures against an aggressor, provided only that the United States agreed as to the identity of the aggressor. This was nothing more than a careful way of saying that the United States would cooperate with the League of Nations in taking action against an aggressive nation.

In the light of this historical background, President Roosevelt's words do not seem quite so revolutionary, although they go considerably farther than any previous statement has seen fit to do. They contain an unconditional promise that the United States will join in a concerted effort to bring peace to the world.

How far does the President think the United States should

go? That is the question which has been repeatedly asked since the Chicago statement, as that address did not make his position on the point clear. The reference to a quarantine to protect the community from disease has been studied and restudied. It might mean that, in President Roosevelt's opinion, the United States should join in an international boycott against an aggressor. Or it might simply mean an effort to isolate morally a law-breaking nation.

The probability is that President Roosevelt is not himself certain as to exactly what he thinks should be done. And it is taken for granted that his administration would be far more reluctant to take a hand in a European dispute than it would in a Far Eastern one. There is no doubt that the President was thinking mainly of the war between Japan and China when he delivered his address. This attitude was entirely consistent with previous American policy and with prevalent American public opinion, for it is a fact that our ideas of isolation have been directed toward Europe and not the Far East. We have steadfastly intervened in every major Far Eastern crisis since the turn of the century, and there has never been any indication that we wished to draw into our shell so far as that quarter of the world is concerned.

Thus, the new American policy will shape itself on the Far Eastern situation and it probably later will be adapted to the affairs of Europe. Its first application has taken the form of an official declaration by the State Department denouncing Japanese aggression, following closely upon similar League of Nations action. The next move, it is understood, is to be a conference of the nations which signed the Nine Power Pact, in an effort to determine whether anything can be done to check Japan's attack upon China.

Opposition

But while President Roosevelt's policy is applied in a favored direction, the Far East, it will not fail to arouse a storm of controversy during the months to come. Already editorials are ringing far and wide in the nation's press praising the policy, condemning it, or advising that the government step warily.

Mr. Roosevelt himself stated the position of those who support cooperation better than it has been given before, and so there is no need to restate it at this point. The isolationists, on the other hand, have been equally forceful. Their attitude has been best expressed by the *New York Herald-Tribune*:



H. & E.

BIG THREE ON U. S. FOREIGN RELATIONS

Secretary of State Cordell Hull, Ambassador-at-large Norman Davis, and Undersecretary of State Sumner Welles, after conferring with the President on the Far East. Mr. Davis is expected to head the American delegation to the proposed conference of nations which signed the Nine Power Pact.



SINISTER CLOUDS

(From a drawing by R. Lipus in *Illustrierte Zeitung*.)

He (the President) has apparently embraced the hope—so long urged by many minds and with which he himself flirted since the first days of his presidency—that the world can be forcibly policed and the war menace curbed, but without bloodshed, through collective threat and economic boycott.

This is the unmistakable significance of his words, whether he appreciates the fact fully or not. But the implications of the policy should be equally clear. It is, in the first place, the antithesis of the "neutrality" prescribed by the votes of Congress, and any effort to cloak such a policy under the confusions of that much-abused word would be nothing but flagrant misrepresentation. Once a nation is embarked upon the forcible restraint of another's course, by whatever means, neutrality vanishes from the situation.

The policy rests, in the second place, upon a theory never tested in practice. It assumes that militant powers can, in fact, be brought to their knees by moralistic and economic warfare alone without risk of shedding blood. This is an assumption which has never been demonstrated. . . . The thing might work, but whether it would or not is pure gamble.

And, in the third place, if the gamble fails, then the policy must lead straight to the military force which the policy was undertaken to prevent. This is the risk and it must be clearly understood by the people of any democracy whose statesmen embark upon the job of "pacifically" enforcing peace. . . . Application of an oil embargo against Japan might conceivably compel that country to sue for peace; it might, on the other hand, leave the Japanese navy with enough oil in its bunkers to reach and seize the Dutch East Indian oil supplies. Could the American navy in that event simply stay safely in Pearl Harbor, advising the Dutch that we were sorry but hadn't anticipated such a contingency when we induced them to help save the foundations of civilization with an oil embargo?

Two Risks

Those who support the President's policy of cooperation agree that it involves risks, but they maintain that there is less risk in it than in a policy of strict isolation. The latter, they hold, permits free and dangerous rein to aggressively inclined nations. As Dorothy Thompson put it in her widely syndicated column: "America has got to decide, not between risk and security—there is no security anywhere in the world today. We have got to decide between risks, whether it is a greater risk to sit by and watch the flood rise, on the gamble that it may never reach us . . . or the risk of being drowned, while trying, with others, to build a levee."

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AROUND THE WORLD

Italy: Premier Mussolini of Italy has definitely rejected the Anglo-French invitation for a three-power conference on the problem of withdrawing volunteers from the Spanish civil war. The Italian dictator, who withdrew from the nonintervention patrol last spring, declared in his reply that the question should be reviewed by the entire Nonintervention Committee, and added that he would not participate in a conference, anyway, unless Germany were also invited.

There is now no doubt, even in official London quarters, that Mussolini intends to see the rebels through to victory. His suggestion that the Spanish problem be committed to the Nonintervention Committee is taken as a rather too apparent maneuver to gain time to send more men and munitions to General Franco. If normally reliable reports are to be trusted, 15,000 Italian troops have recently been sent to Spain and there is every suspicion that more are soon to arrive.

It had been confidently expected that England would now take a very determined step and support France in the latter's proposal to open the French frontier should Mussolini refuse to attend the conference. But the British foreign office has, it appears, changed its mind and has been endeavoring to convince French officials that Mussolini should be permitted to have his way. The British, it is said, argued that a rebel victory is assured and that it would scarcely be wise for Paris now to antagonize General Franco by opening the frontier to the loyalists. As for possible Italian domination of the Iberian peninsula, London claims to have received assurances from Franco that once victory is his, he will not permit Italian interests to influence him.

* * *

China: Although the more poorly equipped Chinese soldiers have been successful in arresting the Japanese advance upon Shanghai, the forces operating in North China continue to display little power of resistance. The Japanese troops, moving steadily southward under the command of General Juichi Terauchi, have broken the front line that flanks the Huto River and have occupied Shihkiachwang, a strategic railway junction on the Peiping-Hankow route. Their advance has enabled the Japanese to prepare for a strong drive to the banks of the Yellow River.

As we go to press, reports are current that the Japanese are employing poisonous gases against the enemy. An international convention forbids its use in war, but since the Tokyo government has not formally declared war against China, it is a question whether the use of gas in the present conflict is covered by that convention.

* * *

France: National elections take place in France but once in four years. During the interval from one campaign to another there is no precise way of testing changes in public opinion. It is true that provincial elections are held every three years, but these do not serve as a barometer of national opinion, since the candidates normally confine themselves to local issues.

The cantonal elections held in France last week were, however, different. Issues of nationwide import were injected into the campaign so that it became a test of the Popular Front government which has been in power since June 1936. The election results, though incomplete at the time of writing, indicate that France is as strongly behind the Popular Front government as it was 16 months ago. Only the Radical Socialists, the most conservative faction in the Popular Front coalition, appear to have incurred any loss of

strength. What they lost, however, was compensated for by the increased strength of the Socialists, the center party of the coalition. Though a rather intensive campaign failed to net the Communists any appreciable gains, the fact that they fared better than the Radical Socialists, who have wavered in their devotion to the Popular Front, is taken by some commentators as further endorsement of the government.

Speculation is now rife over what will happen to the French Senate. The Senate, unlike the Chamber of Deputies, is not chosen by popular vote but indirectly by local officials. It will be recalled that Leon Blum was forced to resign from the premiership by the refusal of the Senate to grant him extraordinary powers. It is not unlikely that the newly chosen provincial officials will regard this election as a mandate from the people to secure a less conservative upper house.

* * *

Germany: The observation has frequently been made that European dictatorships, tearing a page from the decadent era of the old Roman empire, provide their peoples with circuses whenever bread is lacking. In many Italian villages, it is pointed out, fascism has accomplished little more than to provide community houses. Where formerly the peasant was doomed to a life of unrelieved monotony, under the benevolent and subtle aegis of fascism, he now goes of an evening to the community center. There, listening to the radio, sitting comfortably in upholstered chairs, playing games, he imagines for a few hours at least that he is living in abandoned luxury. The peasant, it is added, is inevitably led to regard fascism as a kindly form of government which it would be folly to oppose.

A similar venture is now taking shape in Germany, though more varied in form and incomparably more ambitious. The cost of living in Germany is the highest of any country in Europe. The average worker has little to spare for amusement or vacations. As a result, the Hitler government has organized the "Strength Through Joy" movement which provides the mass of people with free excursions into the country, visits to the theater, sports contests, and low-priced airplane trips.

But the most ambitious of the projects are the ocean cruises for workers. Thousands who have never seen an ocean liner, let alone dreamt of actually sailing in one, are taken for five-day voyages to the Mediterranean or to Scandinavia, at one-seventh the normal cost. Those who cannot afford to pay are taken along free. All that is required of them, according to an authoritative source, is that they listen carefully to the Nazi lectures which are a feature of the trip. Having done that duty, they are free to enjoy themselves.

The demand for these cruises has grown so great that the "Strength Through Joy" organization is planning to build a fleet of vessels to accommodate all the applicants. Two of the ships are already under construction.

* * *

England: The attempt by Sir Stafford Cripps, prominent labor leader, to organize a "popular front" in England has met with crushing defeat. Sir Stafford, who has for some months urged British labor to unite with Communists in a single coalition party, prevailed upon the Labor party's annual conference to submit his proposal to a vote. It was defeated by a vote of 2,116,000 to 331,000.

Despite this setback, however, the more radical leaders of the labor movement succeeded in lessening the influence of British trade unions in the party's councils. The



ACME

FIRST MEETING OF THE LEAGUE ASSEMBLY IN ITS NEW QUARTERS

On the occasion of its first meeting in the great white building overlooking Geneva, the League Assembly approved a resolution condemning Japan's bombing of open Chinese towns.

trade union movement in England numbers 4,000,000 followers. Its leadership is very conservative and has been able to control the policies of the Labor party, in opposition to the purely political labor leaders, who are of a more radical tinge. However, the party's annual conference decided to reduce the number of trade union representatives on its executive council and to increase that of the purely political labor element which is not associated with the trade union movement.

* * *

Brazil: Evidence is accumulating that the alleged Communist plot which caused President Getulio Vargas to place Brazil in a state of war a fortnight ago was little more than a pretense to crush opposition to his regime. Reputable Brazilian newspapers, not yet wholly gagged, point out that among those arrested are members of wealthy conservative families and high army officers who can by no stretch of the imagination be classed as Communist sympathizers. Their chief crime has been that they worked actively against the Vargas administration.

This is not the first time that Communist groups have been accused of fomenting revolution in Brazil. President Vargas himself, when he engineered a successful revolt in 1930, was charged by his opponents with being "a tool of Moscow." And he, in turn, employed the same convenient charge against workers in 1935, whose demands for better working conditions, the control of child labor, and age-old pensions were abruptly and ruthlessly silenced.

There is an element in the present situation, however, which was absent in the earlier disorders. According to neutral observers, there is reason for suspecting that German Nazi doctrine has been making a patient and not wholly unsuccessful effort to penetrate Brazil. The Acao Integralista Brasileira, a powerful political party with a crusading membership of 1,000,000, has adopted methods reminiscent of the German Nazis in 1930. Without hindrance from President Vargas, they have embarked upon a terrorist campaign against all liberal opinion in the country. They employ castor oil and truncheons against their enemies. They admit that their political and social doctrines stem from Berlin.



MARION RIBENSTEIN, FROM PUBLISHER'S PHOTO

A JEWISH IMMIGRANT FROM GERMANY FINDS CONTENTMENT IN PALESTINE

Since 1933 thousands of Jews have left Germany, where they have been in disfavor with the Nazi government, and have taken refuge in the Jewish national homeland which is being established in Palestine.



A NEW TRAFFIC LINK FOR CHICAGO

Air view of the new \$11,000,000 Outer Bridge Drive as President Roosevelt spoke at the dedication ceremonies on October 5. The bridge links the great arteries of traffic from the north and the south ends of the city.

Special Session?

Will President Roosevelt call a special session of Congress? This question has been troubling politicians and newspapermen since Congress adjourned in August. There have been consistent rumors that he will, and lately the newspapers seem to agree that a special session is likely. The President has said that if he does call Congress together, it will be between November 8 and 16.

The items which are generally listed to occupy the attention of the legislators in a special session are farm legislation, the wage-and-hour bill, reorganization of the executive departments, and regional planning. Farm legislation is understood to be first on the list. Last summer, when prospects of a bumper cotton crop forced prices down, the President refused to aid the cotton farmers until the southern senators and representatives had promised to pass extensive farm legislation as soon as possible. During his recent western tour, President Roosevelt stressed the need for immediate action.

Many of the congressmen will be making



SUCH POPULARITY MUST BE DESERVED

The Supreme Court, these days, is one of the most visited places in Washington. Here is a line of spectators waiting to get into the Court chamber.

campaigns for reelection next summer. For that reason, they will not want the regular session, which begins in January, to continue as long as the last one did. It is said that the President would like Congress to give full consideration to important bills, and that is one reason he may get the congressmen to work a month and a half early.

Labor Rift

The split between the two major labor organizations widened last week as the American Federation of Labor, meeting in convention in Denver, devoted most of its time to condemning the C. I. O. and its president, John L. Lewis. The Federation also made plans to extend its drive for new members into fields already occupied by the C. I. O., such as the cannery workers, agricultural workers, and office employees. The Federation created as member unions the National Council of Cannery and Agricultural Workers of America, and the American Federation of Office Employees. The A. F. of L. also criticized the National Labor Relations Board because of "favoritism" which it has shown to the C. I. O.

Meanwhile, the C. I. O. leaders met in Atlantic City to lay plans for their own membership drives. Just before the session opened, John L. Lewis outlined the benefits which the C. I. O. has brought to American laborers. He said that they have gained one billion dollars a year in wages, and that two million workers have had their hours shortened because of C. I. O. activities.

So the battle lines are being drawn in labor's feud. There seems to be no possibilities of a conciliation, although the Institute of Public Opinion recently showed that the majority of the American people favor an agreement between the opposing groups. Some writers believe, however, that the cause of organized labor will be furthered by the competition between the two factions, since they will spur each other on to greater activity and thus enroll more members. Others are of the opinion that the rival organizations will succeed only in wrecking each other, and the whole cause of organized labor in America will be seriously injured.

CIO in Politics

One difference between the C. I. O. and the A. F. of L. is that the former believes in engaging actively in politics, from presidential elections on down to city and community contests, while the latter has seldom put forward candidates in any elections. The C. I. O. showed its power recently in the Detroit city primaries, when its candidate for mayor finished second among five candidates. The voters will choose between Patrick H. O'Brien, the C. I. O. nominee, and Richard W. Reading in the election, November 2. The C. I. O. also placed its five candidates among the top 18 who were running for councilmen—the voters will select nine of the 18 at the election.

If the C. I. O. succeeds in electing the mayor and a number of councilmen, it will have control in one of the most important industrial cities in the nation. The C. I. O. claims that in the recent strike disturbances, the police and courts of most cities were largely opposed to the strikers. John L. Lewis, head of the C. I. O., believes that the union must go into politics on a large scale in order to make sure that the authorities are not unfriendly to organized labor. Those who oppose the C. I. O. candidates say that the union men would be so biased in favor of the union that they would not be fair and impartial in performing their duties.

A Strike Averted

The railroad strike which threatened a few weeks ago to tie up freight and passenger service has been successfully averted by arbitration. Five railroad brotherhoods and the representatives of 86 companies have reached an agreement on wage increases to 250,000 engineers, conductors, firemen, trainmen, and switchmen. The original demand was for a 20 per cent increase, which was flatly rejected by the companies. The settlement finally agreed upon calls for an increase of approximately 10 per cent.

The settlement is regarded as a victory for arbitration under government leadership,

The Week in the

What the American People

which has been successful many times in the past. Under the terms of the Railway Labor Act, a definite formula is provided for the settlement of labor disputes in the railroad industry. The law provides that when a controversy arises between employers and workers, they must enter into negotiations before a strike may be called. If the negotiations fail, the government appoints a mediation board. Should it be unsuccessful, the President appoints a fact-finding commission which reports within 30 days. During this time, and for 30 days thereafter, both sides must continue with the old arrangement.

In the present case, the first negotiations between the unions and the roads failed to result in agreement. Then, a Railway Mediation Board was appointed by the government to work with the two groups, and it was this board which succeeded in composing the differences and preventing the strike. The success of mediation in the railroad industry has been used as an argument for the creation of similar machinery in other industries.

Regional Planning

Three states—South Dakota, North Dakota, and Minnesota—recently formed the Tri-State Water Commission to carry out the na-

store up the water which ordinarily runs off too rapidly to do any good. For this purpose many small dams will be built, as well as a few larger reservoirs. Another purpose of the program is to stop the stream pollution, and thus make the water available for use by cities. The dams will also aid in controlling floods, from which the territory suffered between 1913 and 1919. Many of the proposed

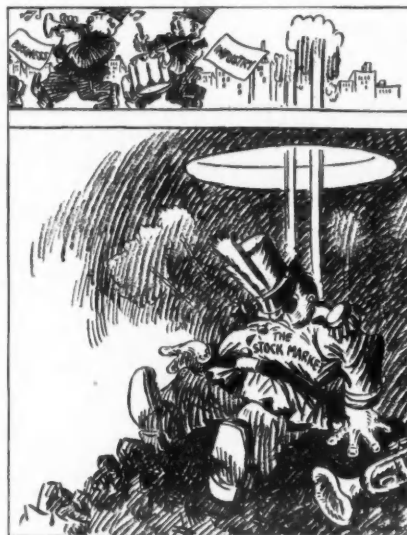
THE WEDGE GOES DEEPER
FITZPATRICK IN ST. LOUIS POST-DISPATCH

lakes will become wild-life refuges, and a number of them will be practical for swimming, boating, and fishing. The development of electricity from the water power is not an important part of the Commission's work, although some plans have been made to install generation plants at the larger dams.

The Commission is expected to go ahead with further investigations, coordinate the activities of the federal agencies and the states, take charge of the construction program, handle the finances, and establish a permanent system of operation for the program once it is completed. Much has already been done by the states individually. Surveys and investigations have been made, and a substantial start in the actual construction is under way. It will take years to complete the program. The present estimate places the cost at 13 million dollars, although there are other dams and canals tentatively planned which will raise it considerably. So far the federal government and the three states have borne the expenses; when the dams are completed and irrigation projects put in operation, part of the initial outlay will be repaid by farmers who will benefit.

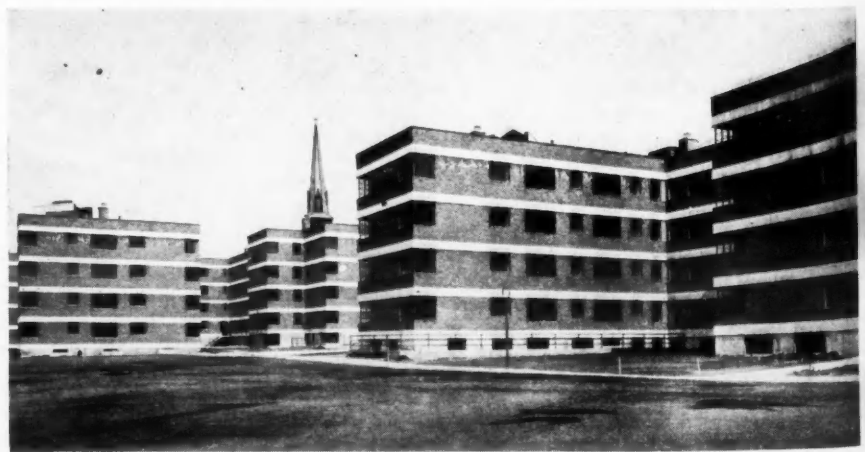
The CCC

The records of the Civilian Conservation Corps show that a growing percentage of the CCC "graduates" are finding jobs in private industry. Within the last few months, the number of CCC men who applied for honorable discharge so that they might go to work has grown rapidly. For the first time, there is a balance between the number who ask to

INCIDENT OF BETTER TIMES
HERBLOCK IN WASHINGTON NEWS

tion's most extensive water conservation program, in the drainage basin of the Red River of the North. The states called a conference in 1935 to consider the critical drought situation. A committee appointed by this conference, aided by federal agencies, formulated a plan for water conservation. The three state legislatures approved the creation of the Commission, which will take charge of the plan.

The area to be included in the conservation program includes about 500,000 people. Most of the 35,000 square miles are under cultivation; there are a few creameries and small concerns, but no large manufacturing plants. The major problem of the Commission is to



PWA PHOTO

LARGEST PUBLIC HOUSING PROJECT TO DATE

A dozen city blocks of Williamsburg houses, the "city-within-a-city" slum-clearance project for New York, were ready to be occupied September 30. The development, when complete, will house 1,622 families.

The United States

Doing, Saying, and Thinking

be discharged and the number who make application to enter the CCC.

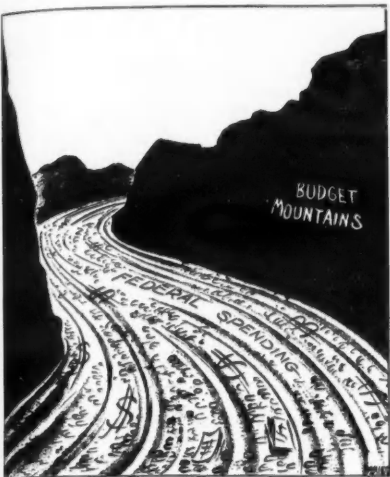
The history of the CCC shows that it has enrolled two million men since it was first organized in 1933, and since that time, approximately half a million men have been honorably discharged to take private jobs. A great many more have found work when their terms ended. Congress voted last summer to

policy in mind. They were passed to meet specific situations which arose as air traffic grew. Their enforcement has been divided among the Department of Commerce, the Post Office Department, and the Interstate Commerce Commission, with the Maritime Commission, the Army, and the Navy all taking a hand.

The next session of Congress will consider a set of rules and regulations proposed by a government committee appointed at the request of President Roosevelt. The President recently called together the various department chiefs who have a part in regulating air traffic. He discussed with them the necessity of centralizing control in one department. The legislation, if it is passed, will decide which of the agencies will have jurisdiction.

Tenant Loans

Before next July, the federal government will lend \$9,500,000 to tenant farmers, farm laborers, and sharecroppers to buy family-sized farms. Ten million dollars was provided by the Bankhead-Jones Act on farm tenancy, passed at the last session of Congress, but \$500,000 will be spent on administration expenses. The Farm Security Administration recently announced the sums which would be



ANOTHER GOOD LOCATION FOR A CONSERVATION DAM
BISHOP IN ST. LOUIS STAR-TIMES

extend the CCC for the next three years, but limited its size to 300,000 men. The CCC is now enrolling approximately 125,000 to reach this maximum.

Postman's Problems

When towns were springing up in the United States almost overnight, the inhabitants were fond of naming them after the hero of the hour—frequently the President of the United States. They did not stop to consider that a great many other communities might be doing the same thing, making a great deal of trouble for the post office system. For instance, a letter addressed to a man in "Jackson," with the name of the state omitted, might go to 22 different towns. Then there are 25 names derived from Jackson, such as Jacksonville and Jackson Center, and 22 Jackson counties, so the postman has a lot of traveling to do before he covers all the possibilities.

Benjamin Franklin is second to Andrew Jackson in popularity measured by namesakes, while Thomas Jefferson is third. George Washington and Abraham Lincoln are tied for next honors. Although Theodore Roosevelt arrived on the scene rather late, there are 13 towns named Roosevelt, two counties, one lake, one dam, and a river in Brazil. President Roosevelt recently received greetings postmarked from three Minnesota towns, Franklin, Delano, and Roosevelt.

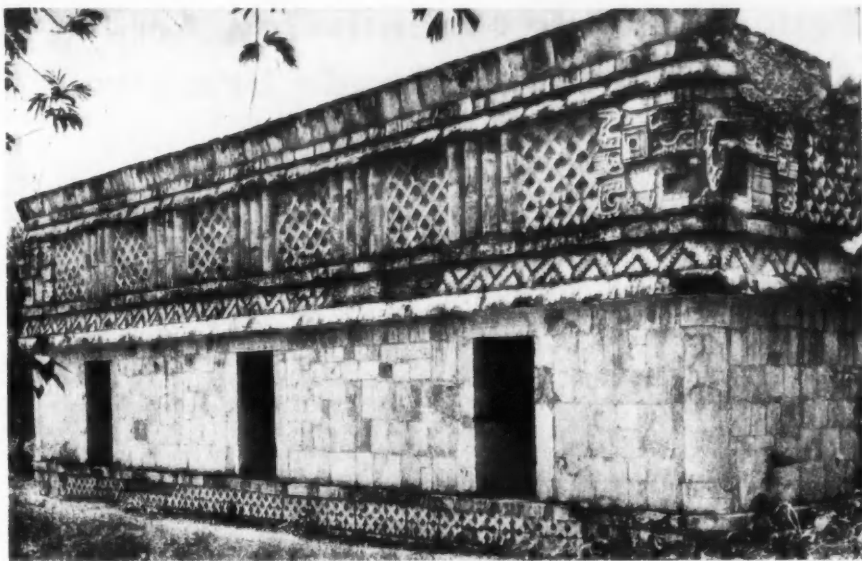
Air Traffic

The laws which regulate the nation's airlines have caused a great deal of confusion because they have not been written with any consistent



"CACTUS JACK" DEMONSTRATES HIS COOKING PROWESS

It is not political brew that the vice-president has been concocting down at his home in Uvalde, Texas, but real outdoor cooking at which he is reputed to be a specialist.



TEMPLE OF THE TWO LINTELS, GEM OF MAYA ARCHITECTURE
(From an illustration in "America's Yesterday.")

NEW BOOKS

WHEN Jack Jones was 52 years old, he found himself and his family on relief. He had been reared in the Rhondda Valley, the worst of England's derelict mining areas, where he himself became a pit-worker when he was a boy of 12. After a boyhood spent in the dark mines, he became a soldier. Then followed his harrowing experiences in the Boer War of South Africa and the World War. The Armistice returned him to civil life, where he was faced with unemployment as he tried to support a growing family. But politicians and trade unionists discovered that he was a good speaker, an able leader. So they started him on a strenuous career as a professional politician. The necessity of earning a living for his family, rather than lack of principles, made him hire out to whatever party that could use him. Thus, although he started out with a group which interested him—the Socialists, his career ended as he worked for Sir Oswald Mosley's Black Shirts, the English fascists.

Out of this checkered past, Jack Jones decided he had the material for an autobiography. Perhaps, if he could sell it, he would be able to leave the English relief roll. His efforts resulted in "Unfinished Journey" (New York: Oxford University Press, \$3). Jones discovered that his life was full of many everyday experiences and some unusual occurrences, a life that might be duplicated in many of its features. But because he tells it as a story, it is a tale that is well worth reading, because it rings so true.

HOW to get your money's worth is a very important thing to know these days, especially since there seems to be some evidence that our old bugaboo, the high cost of living, is climbing the price ladder. Those who may therefore want expert advice on buying merchandise will find it in "The Shopping Guide" (New York: McGraw-Hill Book Company, \$2.50). Eighteen buyers for metropolitan department stores have contributed articles to this book.

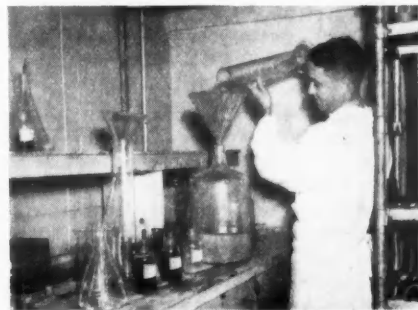
They tell what to look for in merchandise, and how to discover defects or to judge good material and workmanship. Most of the articles are devoted to wearing apparel and accessories, with several chapters on household furnishings. These buyers' viewpoint is that money saving occurs when the purchaser knows how to select products that will stand up for a long time; they do not advise on bargain-hunting or price-beating. Another important feature of their discussion is related to prolonging the life of clothes or furniture by careful treatment, and here again they give inside pointers that will save the reader a considerable amount of money.

ROSITA FORBES, a Richard Halliburton among women, wanted to travel in the Asian republics belonging to Russia. A sign reading, "IT IS ABSOLUTELY FORBID-

DEN TO CROSS THIS BORDER INTO AFGHAN TERRITORY" failed to stop her, and without speaking either Persian or Pushtu, she finally arrived at Kabul, the capital of Afghanistan.

"Forbidden Road" (New York: E. P. Dutton and Company, \$3.50) is the story of her travels in the Soviet Central Asian Republics. Her record is not one of freakish experiences; these were not necessary, because the journey from Kabul to Samarkand is one that is infrequently taken, and less frequently described. Therefore, the reader will find here a new travel book that does not plod through the old, familiar places. Miss Forbes writes in a clear style as she skips over unnecessary details of her unusual journey and dwells only upon the outstanding impressions gained along the way.

SCIENTISTS' discoveries provide many adventure stories—accounts of the explorations which they make into the realms of physics, chemistry, physiology, and the many other fields of research. One of the comparative newcomers in scientific adventure is the study of archeology. It has been only within



300,000 DOSES OF PNEUMONIA VACCINE

The Army Medical Center in Washington makes ready to inoculate volunteers from the CCC camps, as an experiment in the battle to conquer pneumonia.

the past 100 years that we have known much about prehistoric man—how he lived, what he ate, and what he must have looked like. The adventurous discoveries of these early civilizations first were made in Egypt. Now the excavations are continually unearthing new evidences everywhere of ancient cities and their inhabitants, and these revelations make archeology one of the most interesting of sciences.

Since these explorations were not confined to Egypt, they were soon extended to western nations, including the United States. In "America's Yesterday" (Philadelphia: J. B. Lippincott Company, \$3.50), F. Martin Brown tells the fascinating story of the sources of the human race on our continent. Bringing the studies of antiquity in North and South America up to date, he discusses the three great civilizations—Aztec, Maya, and Inca, as well as the cultures of the various races of America from early times. The author, who is a professor at the Fountain Valley School in Colorado, uses little technical language. Thus, the book is very readable. A number of photographs and drawings illustrate the chapters and lend additional value to the book as a whole.—J. H. A.

Federal Trade Commission Acts To Curb Unfair Trade Practices

ONE of the duties of the Federal Trade Commission is to see to it that the 130 million consumers in the United States get a fair deal from business and industry. The FTC tries to prevent manufacturers, wholesalers, and retailers from deceiving the public. For instance, the Commission recently warned the makers of toilet preparations against implying that they operate a laboratory when they do not. It also told a soap manufacturer not to say that his soap contained avocado oil when government tests show that it does not. Manufacturers of advertising signs were cautioned against saying that their sign letters are made of gold and silver unless it can be proved; makers of radio sets were told not to use "world-wide" and "all-wave" in advertising their sets unless the radios meet the claims made for them.

Unfair Trade Practices

Such is part of the work of the Federal Trade Commission, created by Congress in 1914. It lays down several hundred rulings of this kind every year to give business and industry a set of regulations on fair trade methods. But the Commission is not just a policeman, penalizing the companies that step over the line. Many times the companies are not aware that they are disobeying the law. The Trade Commission tries to bring about cooperation between business and government. Companies which disobey are still penalized, of course, but first they have ample time to change their ways and to learn what the law really is.

The Commission is composed of five members, each of whom serves a seven-year term. It is bipartisan, since not more than three of its members can be of the same political party. Each member of the Commission serves as chairman sometime during his term; the chairmanship is rotated from year to year. The chairman really has no more power than any of the other commissioners; he is just the nominal head of the FTC for that year. Although the main office of the FTC is located in Washington, and the commissioners themselves meet there, examiners and investigators are sent out to work in cities throughout the nation.

The Federal Trade Commission Act, which provided for the organizing of the Commission itself, outlines most of its duties, but several other acts give added power to prevent unfair methods of competition and to investigate and report on specific industries and trade conditions. Its principal function is to prevent unfair methods of competition in interstate commerce. When the Commission first came into existence, no one knew for sure what "unfair methods of competition" were. So the Commission has listed many forbidden practices from its own decisions. Several cases have been appealed to the Supreme Court, and from these court decisions the powers of the Commission have been roughly defined. The FTC has jurisdiction over all cases in which deception, bad faith, fraud, or oppression is practiced,

in which the possibility of monopoly exists, in which the interests of the public are threatened.

Just how does the Commission operate to stop unfair practices? A case originates on an informal complaint to the Commission. A preliminary investigation is held, and a report goes to the chief examiner. If there is evidence that unfair competition is being practiced, the chief examiner reports to the Commission. The Commission then confers with the firm which has been investigated and warns it that a formal complaint will be filed against it if the practice is not discontinued. If the firm agrees to this, the case goes no further. This arrangement, called a "stipulation," is reached in a large number of cases. If the firm does not agree with the FTC that it is in the wrong, a formal complaint against it is made. An examiner then reviews the arguments presented by the FTC lawyers and by the firm's lawyers. He reports the facts to the Commission itself; this report and the arguments of both sides are finally taken before the five commissioners and they render a decision on the case. If they find the firm has been practicing unfair competition, they issue an order to "cease and desist." The FTC has no means of enforcing such orders. If the firm does not stop, then the FTC must apply to the United States Circuit Court of Appeals to enforce its order. The case is tried in the court, and it may reach the Supreme Court before it is finally settled.

The FTC has a special board, created in 1929, to investigate the growing number of false and misleading advertising methods. It checks on newspaper, magazine, billboard, and radio advertising, on the theory that false advertising is an unfair method of competition.

Investigations

A phase of the FTC's work which has been developed considerably is that of making investigations. Congress or the President may direct it to investigate any industry, or the Commission may go ahead on its own initiative. It has investigated the milk and dairy industry, chain stores, tobacco marketing, the textile industries, the electric and gas utilities, and the steel industry within the last few years. Often these investigations are used by other departments and by Congress in passing legislation. Another part of the Commission's work which has been very effective is the trade-practice conference. At these conferences, held as early as 1919, representatives of all the firms in an industry meet to consider unfair practices which may be going on within the industry. Under this arrangement, the industry corrects its own faults; the government is not forced to bring charges. More than 170 different industries have held trade-practice conferences.

When it was first organized, the FTC played an important role in the fight to hold down "big business." It still reports alleged violations of the antitrust laws, but this phase of its work has not been very extensive lately.



WHEN THE NINE POWER CONFERENCE WAS HELD IN WASHINGTON

Historical Backgrounds

By David S. Muzzey and Paul D. Miller

The Nine Power Treaty

AS THE famous Locarno conference, held in 1925, and the treaties which resulted from it, gave Europe the only "breathing spell" it has enjoyed since the World War, so the Washington Arms Conference, which convened November 12, 1921, seemed to be a landmark for peace and stability in the Pacific region. Although this conference was called for the primary purpose of bringing about a reduction of naval armaments among the Pacific powers, an equally important accomplishment was the signing of the Nine Power Treaty, which is now playing such a leading part in the Sino-Japanese conflict.

Prior to the signing of the Nine Power Treaty, on February 6, 1922, the relations between the western nations and the two great Oriental powers were governed largely by informal agreement rather than by duly negotiated treaty. The basis of American foreign policy in China, as well as that of the other western nations, was the Open Door Policy—something of a "gentlemen's agreement" among the powers—which provided that equal trade and other opportunities in China should be guaranteed to all nations. And while the informal pledges of the powers were kept, the whole framework was marked by instability because of the informal nature of the agreement.

Provisions of Pact

It remained for the Nine Power Treaty to bind the Pacific powers by a formal treaty. Thus, before the Washington conference closed, the governments of the United States, the British Empire, Japan, Belgium, France, Italy, China, the Netherlands, and Portugal signed what has since become the foundation upon which their relations with China have been based. It was significant that China herself was a party to the agreement, for in the past the powers had failed to treat the Chinese as equals in their dealings with them.

The provisions of the Nine Power Treaty are simple and explicit. First and foremost, the treaty gave clear expression to the principles enunciated a quarter of a century earlier in the Open Door Policy. The powers, exclusive of China, agreed to respect China's independence, sovereignty, and integrity. In other words, they pledged themselves to treat China as an equal; to do nothing which would interfere with her independence or the opportunity to work out her own problems. They promised to help her maintain and develop a stable government, to establish the principle of equal commercial opportunities for all nations. Each of the nations was to oppose efforts of its citizens to acquire special privileges in China. There was to be no discrimination in the development of Chinese railroads.

These are the principal provisions of the

Nine Power Treaty. One article which commands special attention, however, deals with a course of action in case of violation of the treaty. Article VII states: "The Contracting Powers agree that, whenever a situation arises which in the opinion of any one of them involves the application of the stipulations of the present Treaty, and renders desirable discussion of such application, there shall be full and frank communication between the Contracting Powers concerned."

Purpose of Conference

It is in accord with this article that the proposed Nine Power conference is now to be called to discuss the situation that has developed in the Far East. Japan has been openly accused by the United States, the League of Nations, and several nations individually, of violating the provisions of the Nine Power Treaty. That Japan's actions of recent weeks constitute a violation of the treaty provisions, few would deny. In fact, her severing of the Chinese province of Manchuria in 1931 and establishing it as a puppet state definitely interfered with the "territorial and administrative integrity of China." Since that time, equality of opportunity in Manchou-kuo has been destroyed, for the Japanese have themselves enjoyed concessions which they do not accord to other nations. Should Japan's present drive throughout China succeed, she may be expected further to destroy the whole framework upon which relations with China have been built.

It is impossible to forecast the great significance of the proposed Nine Power conference. The obvious purpose of the parley will be to find ways and means of halting the Japanese invasion. Will the powers go further than to censure Japan for breaking her treaty obligations? Will they take more positive action, such as curtailing economic relations with Japan by declaring a boycott? And if that should fail to check Japan, would they resort to still sterner action, even by going so far as to apply military pressure? These are the questions which loom uppermost in people's minds as negotiations proceed for the Nine Power conference. At this time, only one thing seems fairly certain: The powers appear determined to go further than previously in their effort to curb the Japanese. At the time of the Manchurian episode, they went only so far as to denounce Japan for failing to live up to her treaty obligations.



DAVID S. MUZZEY



THE FEDERAL TRADE COMMISSION

HARRIS AND EWING

Left to right: Gorland S. Ferguson, Jr., Edwin L. Davis, Charles H. March, Robert E. Freer, and W. A. Ayres.



Walter Lippmann's conception of liberalism. Are collectivism and national planning consistent with democratic government and individual freedom?

THESE three imaginary students have been meeting from time to time on this page to talk things over. The same characters are continued from one issue to another. We believe that readers of THE AMERICAN OBSERVER will find it interesting to follow these discussions and thus to become acquainted with the three characters. Needless to say, the views expressed on this page are not to be taken as the opinions of the editors of THE AMERICAN OBSERVER.

John: I've read a book that I'm anxious to discuss this week. It is Walter Lippmann's "The Good Society." I think it is one of the outstanding books of the year. It is an explanation of the meaning of liberalism.



Mary: It seems to me that Walter Lippmann isn't very well qualified to explain liberalism. Why doesn't he leave that to liberals? I would call him an arch-conservative.

John: I know it is the fashion among a good many people who call themselves liberals to scoff at Lippmann. It is a fact, of course, that he has changed his ideas quite a little as he has gone through life, but why shouldn't one do that? Lippmann, you will remember, began to write books on political subjects when he was very young. I think it was the year after he was graduated at Harvard that he wrote, "A Preface to Politics." Soon afterward he wrote, "Drift and Mastery," and other books followed. He was considered a radical at the time. When *The New Republic* was established in 1914, he was one of the editors, though he was then but 25 years old. He left *The New Republic* to become editor of the *New York World*. When that paper went out of business, he began contributing a column to the *New York Herald-Tribune*. This column has been syndicated and is used by newspapers in every part of the country. Lippmann's daily comment or editorial on current issues is read by hundreds of thousands of readers. He has become a very powerful influence in the formation of public opinion in the United States.

Charles: There is no question, however, but that he lost his liberalism when he went with the *Herald-Tribune* and began to associate with conservatives and with wealthy people. He took on their ideas, and now is one of the country's most widely quoted conservatives. When he speaks of liberalism, therefore, he speaks as an outsider. But what about his book? What points does he make?

John: Naturally, I can't do justice to the book in the few minutes that I have to talk about it. But the main argument is along this line:

During the last half century or so, governments everywhere have been becoming more active. They are taking a larger part in running industry. The old idea that business should be a private affair is losing ground. Governments have taken over one kind of business after another. They have imposed all sorts of regulations. They have interfered with free trade by establishing tariffs. They have fixed the prices at which goods should be sold and have also fixed wages and working hours. Lately they have gone even further. We hear everywhere of national planning. We hear it in

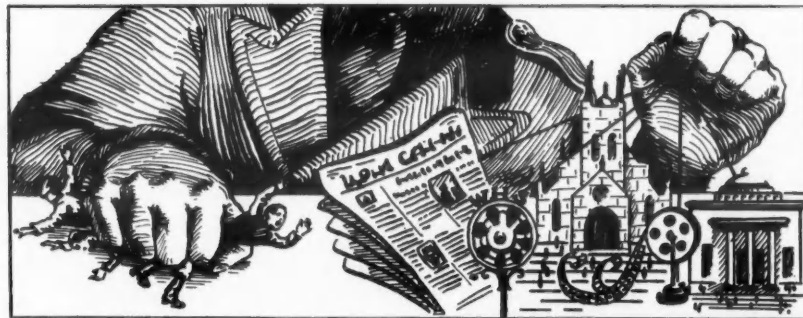
our own country. There is much discussion to the effect that the government should decide how much of different kinds of goods should be produced, what prices and wages should be, what practices should be abolished, and so on.

Mary: You are just imagining things. The government isn't planning anything like that.

John: Well, it has gone a long way in that direction. Through the NRA it undertook to regulate hours and wages and, to a certain extent, production. It directly regulates production—tries to prescribe how much shall be produced—through crop-control programs.

Charles: And what does Lippmann think of such things?

John: He thinks they are very wrong. He thinks we would all be better off if prices and wages and production were fixed by competition. If people want things, they will buy. That will create a demand, and the farmers and manufacturers will meet the demand. The demand will determine what and how much shall be produced. Now, when a government steps in and tells how much the people should buy of any commodity and how much should be produced and at what price it should be sold, there will be many difficulties. Everything will get confused, standards of living will



fall, and besides, we will have lost our freedom. Lippmann calls this increasing activity of governments "collectivism," and he thinks the trend in that direction is a very bad thing for the country and the world.

Mary: Is he writing the book merely to take a whack at the New Deal?

John: No indeed. He does oppose the New Deal tendency to have the government do so much controlling of business, but he charges both parties with having collectivist tendencies. The Republicans have stood for a tariff, and a tariff is an interference with



THREE EXAMPLES OF DICTATORSHIP
(From drawings in "Dictatorship," a Headline Book published by the Foreign Policy Association.)

free competition. It helps certain industries and hurts others. When the government enacts a tariff law, it is really deciding to create an industry in a certain locality, or to help it by keeping foreigners out of the market. This raises prices to those who buy the products. They, then, call for some kind of favor from the government to repay them for what the tariff costs them, and we go along on the road of governmental meddling with the free and regular course of business and industry.

Charles: But what about national planning? Didn't you say Lippmann talks about that?

John: Yes. He says it can't be done successfully, especially in a democratic country.

Charles: Isn't it done in time of war? When a war is on, the government practically takes charge of industry. It decides what the essential industries are, how much shall be produced, and so on. It uses all the resources of the nation for the carrying on of the war. Why can't it do the same thing in peace? Why can't those in charge of the government say: "We aren't fighting any foreign peoples, but we are carrying on a war against poverty. We will see to it that the resources of the country shall be used so as to produce what the people need. Then we will see that wage scales are so fixed that the people can buy what they need. We will organize all the resources of the nation as efficiently for the raising of the standards of living as we would organize them to fight a war." Why can't such things be done?

John: Lippmann answers that very question. He says that a government in a democracy can run industry and decide what shall and shall not be produced during a war, but at no other time. When a war is on there is no dispute about the national purpose or goal. It is to win the war; to defeat an enemy that everyone can see. There is no dispute about the goal. There is no debating among the people about what should be produced; about the industries that are essential. Any policy that will help win the war is a good policy.

During a time of peace there is no such clearly marked goal. The object of in-

dustrial during peacetime is to produce goods which people want. And how can a government decide what the people will want? If you say it should have goods produced which people need, who is to decide what they need? As a matter of fact, there would be constant quarrels and changes of policy and no consistent program of national economic planning could be made to work. The best thing, then, is to let everyone handle his own business, with producers making the things that people want, and with prices and wages determined by free competition.



NEW YORK TIMES STUDIOS
WALTER LIPPMANN

Mary: From what you have said, it seems that Lippmann has written an important book and that it is a very good defense of conservatism. I think, though, that it is a mistake to call it liberalism.

John: Well, we won't quarrel about terms or labels. There is always a dispute about what they mean, anyway. What really matters is that the book is a good one. It is an effective protest against the tendency for everyone to depend on the government to look after him and to take care of everything. If you want to read this book, you can buy it for three dollars at your bookstore. Or if the bookstore doesn't have it, you can get it from the publisher, Little, Brown Company, Boston.

Your Vocabulary

Do you know the meaning of the italicized words in the following sentences? The man gave his explanation very *naively*. You have given the waiter a *gratuity*. Walking is a *salutary* exercise. His speech showed much *audacity*. A vacuum-cleaner *facilitates* housework. There was a *prevalence* of disease among the people. His bursts of anger *alienated* his friends. You cannot pull a tiger's tail with *impunity*. A criminal is *stigmatized* by society. The boy became an *ardent* worker.

If you resort to the dictionary to find the meaning of these words, be sure to check your pronunciation of them, too. All these words came from a single copy of the *Washington Post*.

SOMETHING TO THINK ABOUT

1. Do you see any great deviation in the foreign policy enunciated by President Roosevelt at Chicago and that of Presidents Harding, Coolidge, and Hoover?
2. What are the principal risks involved in following such a policy? What are the risks involved in pursuing the opposite course?
3. Do you see any similarity between the Roosevelt policy and that of President Wilson?
4. What are the principal objectives of the power policy of the Roosevelt administration, and what is being done to achieve them?
5. To what extent did the federal government go into the power business before the Roosevelt administration?
6. What are the main provisions of the Nine Power Treaty?
7. What danger to democracy does Walter Lippmann see in his book, "The Good Society"?
8. What significance do you attach to the local elections recently held in France?
9. What are the principal functions and duties of the Federal Trade Commission?
10. Why have strikes in the railroad industry been less frequent than in other American industries?

The Government's Power Program

(Concluded from page 1, column 1)



GRAND COULEE—THE FEDERAL GOVERNMENT'S GREATEST PROJECT

BUREAU OF RECLAMATION

tion. Other dams were constructed across the great rivers of the nation. In the main, however, the purpose of these undertakings was not the generation of electricity, but the development of irrigation projects. What electricity was generated was used to pump the water to the arid land, and practically none of it was used to light the surrounding homes. The government scrupulously avoided going into the power business, the prevailing philosophy being that the generation and sale of electricity should remain in private hands.

Roosevelt's Philosophy

The Roosevelt administration brought an entirely new philosophy with respect to the production of power. Mr. Roosevelt himself felt that the federal government had a right to manufacture and sell electricity. Not only would this result in a wider use of electricity, but it would also compel the private companies to reduce their rates. Today the federal government is spending millions of dollars constructing dams, erecting power plants, and it is selling electricity to a number of towns and cities.

Part of the government's present program is in the nature of an experiment. Mr. Roosevelt wants to see just what can be done by the national government. By far the most important experiment is under way in the Tennessee Valley, where eventually seven dams will span the rivers of the region. Already Norris Dam and Wheeler Dam have been completed and are furnishing power to rural and city consumers. When the program is completed, more than \$150,000,000 will have been spent, and thousands of people in the Valley will buy their electricity from government-owned and government-operated plants.

A second large area of government experimentation is the Columbia River Basin, which President Roosevelt recently visited. In the state of Washington, the Grand Coulee Dam is under construction. It will furnish cheap electricity to the states of Washington, Oregon, and California. The Columbia River is also being spanned by the Bonneville Dam, which will cost the national government \$40,000,000. The government's power program in the Northwest also includes the Casper-Alcova Dam in Wyoming and the Fort Peck Dam in Montana.

In addition to these direct activities, the national government is furthering its power program by means of giving financial assistance to municipalities which want to construct their own power plants. Nearly \$100,000,000 will be contributed for this purpose, and scores of local communities will eventually be provided with additional

facilities. Thus it can be seen that, through the government's program, millions and millions of horsepower of electricity will be added to the flow which now plays such a vital part in our national life.

But the government's program does not stop even here. Other activities are stimulating the use of electric power. In the Tennessee Valley, for example, the Electric Home and Farm Authority is selling electric appliances and is helping people to finance the installation of electric wiring. Another government agency, the Rural Electrification Administration, is undertaking to bring electricity to thousands of farms which do not now have it. Groups of farmers who want electricity brought to their communities are given financial assistance by the REA. The activities reach into 41 of the 48 states, and it is estimated that some 200,000 farms will be served by 60,000 miles of electric power lines.

Seven Regions

How far does President Roosevelt plan to go with his power program? An indication of his ultimate objectives may be seen from the fact that he is contemplating pushing through Congress a bill, already introduced, providing for the establishment of seven regional planning boards to cover the entire nation. In the far West, there would be established a Columbia River Authority, built around the Grand Coulee and Bonneville projects. A southwestern division would be established around the Colorado River. The Middle West would be divided into two districts—the Missouri Valley, with the Missouri and Platte Rivers, in the northern half, and the Arkansas Valley, with the Arkansas, Rio Grande, and Red Rivers, in the southern half. The states surrounding the Great Lakes would be served with power developments on the lakes and the Ohio River, the region to be called the Great Lakes-Ohio Valley. The present area of the Tennessee Valley which is under the control of the TVA would remain unchanged. Finally, the coastal and New England states would be grouped into an Atlantic Seaboard district.

If legislation giving effect to this program is enacted, far-reaching effects may be expected to result. The whole undertaking would pave the way for an ambitious experiment in national planning. In each of the districts, water-power developments would be constructed on the large rivers in order to provide more electricity at low rates. The projects would be planned in such a way as to stop the destruction of farm lands by erosion and damaging floods, as is being done in the Tennessee Valley. Part of the erosion would be

checked by the planting of trees to replace the forests which have been destroyed through the years. The farmers would be instructed in improved methods of agriculture—ways of cultivating the soil and planting crops which would prevent heavy rains from washing gullies in the fields. If such a program is undertaken, it may be expected to move slowly at first, both because of the cost involved and the necessity of working out careful plans. Unlike the Tennessee Valley Authority, which decides independently on the details of its work, the new planning boards would carry on studies and make recommendations for specific legislation to be passed by Congress in each instance.

The future of government power production will also depend to a considerable extent upon the success or failure of the Tennessee Valley and Columbia River Basin experiments already under way. If, for example, the TVA can show that it can produce large quantities of power and sell it at low rates over widely distributed

areas, the arguments for extending the program to other regions will naturally have been strengthened.

Ultimate Objectives

Despite the size of the program already undertaken and that contemplated for the future, the Roosevelt administration does not favor government ownership and operation of all electric utilities. The government's power policy should be so shaped as to keep private companies in line; to prevent them from charging exorbitant prices by holding the whip of direct competition over their heads; and to furnish electricity to regions not adequately supplied by private companies. Private capital, the President has said, should be given "the first opportunity to transmit and distribute the power on the basis of the best service and the lowest rates to give a reasonable profit only."

This is in keeping with the President's general philosophy on the power question. He has frequently spoken of abundant and cheaper power for industry and agriculture, of the increased use in millions of homes. "We are going to see," he has declared, "with our own eyes, electricity and power made so cheap that they will become a standard article of use, not only for agriculture and manufacturing, but also for every home within reach of an electric light line."

With this vast program, and with the general philosophy behind it, there has naturally developed stiff opposition. The power-production activities of the government in the Tennessee Valley are denounced not only by the private power companies operating within the region but by many individuals throughout the nation who feel that the federal government has no business spending the taxpayers' money in order to compete unfairly with private enterprise. Opponents of the government's power policy see in it a dangerous trend, which, unless halted, will in the end lead to further encroachments of government and the eventual destruction of our whole economic system. At some future time we shall have occasion, in the columns of THE AMERICAN OBSERVER, to discuss the various aspects of the power issue, having confined ourselves in this article to a description of what the present program is and the general objectives which lie behind it.

Smiles

Scientists announce as a great new discovery that a way has been found to make TNT out of gasoline. They ought to ride with some reckless driver and find out how far behind the times they are.
—Los Angeles Times

Street railway service in many cities is being discontinued. This is published for the information of many who are still waiting on corners for streetcars.
—Washington Post

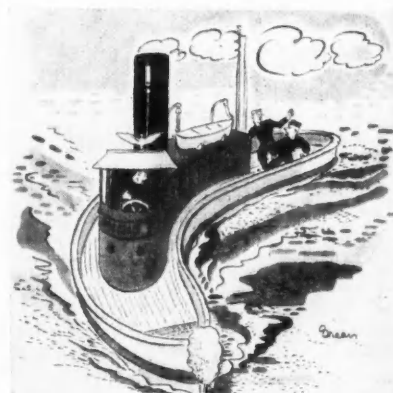
Wife: "There are two sides to every question."
Husband: "Yes, dear. Yours and the wrong one."
—Whitley Seaside Chronicle

The fellow who said "Everything that goes up must come down" didn't know anything about taxes.
—Stewart-Warnerite

Father: "When I was a little boy, I always ate the crusts."
Willie: "Did you like them?"
Father: "Of course, I did!"
Willie: "Then you can have mine."
—New York Post

We read that a new midget car just big enough to hold one has appeared in America. Instead of getting in, the owner puts the vehicle on.
—Humorist

The elderly lady was talking over matters, and expressed her approval of the League of Nations.
"I think," said she, "it is a very good thing, but it seems a pity to have so many foreigners in it!"
—Montreal Star



"THE CAPTAIN MAKES VERY QUICK DECISIONS"
GREEN IN COLLIER'S

A lady was entertaining the small son of a friend. "Are you sure you can cut your own meat, Willy?" she inquired.
"Oh, yes, thanks," answered the boy politely, "I've often had it as tough as this at home!"
—Boy's Life

He was considerably puzzled as to what to do about the cat. Finally he hit upon a bright idea. He left the following note under his neighbor's door.

"Dear Mr.—: Would you please put out a little food each day for my cat? He will eat almost anything, but don't put yourself out."
—Christian Science Monitor